



Faith School District #46-2

Mel Dutton Superintendent
503 South 2nd Avenue West
Faith, SD 57626
(605) 967-2152
FAX (605) 967-2153

November 2, 2009

South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

Re: Letter of Support

Dear Commissioners:

The Keystone XL pipeline will be a benefit to school districts. The assessed value of districts will increase and this will generate more capital outlay revenue. Our school district has been unable to generate enough capital to build a new school. We are limited under statute not to exceed 10% of our total valuation for a school bond. Our building needs far exceed this limit. The value of our district will increase significantly with the installation of the Trans-Canada pipeline. This will allow us to bond for a school facility that is badly needed.

There will be no change in the general fund because the state aid formula is based on local effort and state effort. If local effort is increased then state effort is decreased. School Districts generate \$4804.00 per student. The TransCanada pipeline will not affect the revenue in the general fund.

Gross receipt taxes will be a windfall for schools. Every pumping station on the line will generate several hundred thousand in gross receipts for school districts. Each district that has a pumping station will generate this income. It is not considered local effort by state agencies so it will be in addition to the per student allocation. The Faith District recently completed an opt-out. It is likely that we will be facing another opt-out in the near future unless we have the additional gross receipt taxes.

I do not know the benefit or the detriment of the XL pipeline to other sectors but it will be a significant help to public education.

Respectfully,

Mel Dutton
Superintendent
Faith School District 46-2